



DEPARTMENT OF THE AIR FORCE  
HEADQUARTERS UNITED STATES AIR FORCE  
WASHINGTON 25, D. C.

COR-0163  
COPY 1 OF 4

#185

REPLY TO:

Auditor General  
Comptroller, USAF  
Hq Western District  
1206 Maple Avenue (Room 916)  
Los Angeles 15, California

4 August 1958

*this report to  
186 sent to Wash  
by 10 Oct 58  
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to portion 7*

SUBJECT: Report on System Survey  
Fairchild Camera and Instrument Corporation  
Defense Products Division  
Syosset, New York

TO: Contracting Officer

1. A survey was made of the subcontractor's accounting records, methods, and procedures for the purpose of determining their adequacy for the determination of costs under the second tier subcontract with the Boston subcontractor.
2. Effective 31 January 1958, a reorganization took place whereby the Electronics Division of Fairchild Controls Corporation and the Reconnaissance Division of Fairchild Camera and Instrument Corporation were merged into the Defense Products Division under Fairchild Camera and Instrument Corporation.
3. Our survey included a review of the most recent system survey conducted by the Defense Department audit agency cognizant under other contracts (Air Force Auditor General, New York Branch Office) performed during the period December 1955 to January 1956, which was prior to the reorganization, and such other procedures as were considered necessary in the circumstances.
4. Results of Examination: Based on the results of the survey, it is our opinion that the subcontractor's accounting records, methods, and procedures are generally adequate for determination of costs under the subcontract.
5. Recommendation: It is recommended that if the subcontractor intends to authorize reimbursement for travel expense under the subcontract in excess of the limitations imposed by AFPI, Section 15-204(W), then appropriate approval should be obtained from the higher tier contractors and the Contracting Officer.
6. Discussion of Survey Findings: The results of the survey were discussed with [redacted] Contract Administrator.
7. It is suggested that a copy of this report be furnished to the subcontractor and the higher tier contractors for their information.

*File RT-100*

Project Supervisor  
Western District, Auditor General